

**REPORT OF THE AUDIT OF THE  
PULASKI COUNTY  
SHERIFF**

**For The Year Ended  
December 31, 2009**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
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## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE PULASKI COUNTY SHERIFF**

**For The Year Ended  
December 31, 2009**

The Auditor of Public Accounts has completed the Pulaski County Sheriff's audit for the year ended December 31, 2009. Based upon the audit work performed, the financial statement presents fairly, in all material respects, the revenues, expenditures, and excess fees in conformity with the regulatory basis of accounting.

#### **Financial Condition:**

Excess fees increased by \$125 from the prior year, resulting in excess fees of \$3,784 as of December 31, 2009. Revenues decreased by \$115,963 from the prior year and expenditures decreased by \$175,203. Current year portion of the vehicle account balance increased by \$59,115.

#### **Report Comments:**

- 2009-01 The Sheriff Had Disallowed Expenditures Of \$3,272 In His Official Fee Account
- 2009-02 The Sheriff Expended \$149,354 For Goods And Services That Auditors Question As Reasonable Or Necessary Expenses
- 2009-03 The Fiscal Court Should Review The Sheriff's Current Vehicle Policy And The Sheriff Should Comply Fully With The Approved Policy
- 2009-04 The Sheriff Should Reimburse The Forfeiture Account For Disallowed Finance Charges And Fees
- 2009-05 The Sheriff Should Adopt A Written Outside Employment And Fringe Benefit Policy That Complies With IRS Rules And Regulations
- 2009-06 The Sheriff's Office Paid More Than The Bid Price For Purchase Of Vehicle
- 2009-07 The Sheriff Did Not Provide Adequate Oversight Over Fuel Credit Card Purchases
- 2009-08 The Sheriff Should Strengthen Internal Controls Over Credit Cards
- 2009-09 The Sheriff's Office Lacks Internal Controls Over The Payroll Process

#### **Deposits:**

The Sheriff's deposits were insured and collateralized by bank securities.



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**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Barty Bullock, Pulaski County Judge/Executive  
The Honorable Todd Wood, Pulaski County Sheriff  
Members of the Pulaski County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of revenues, expenditures, and excess fees - regulatory basis of the Sheriff of Pulaski County, Kentucky, for the year ended December 31, 2009. This financial statement is the responsibility of the Sheriff. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Sheriff's office prepares the financial statement on a regulatory basis of accounting that demonstrates compliance with the laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues, expenditures, and excess fees of the Sheriff for the year ended December 31, 2009, in conformity with the regulatory basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2010 on our consideration of the Pulaski County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.



The Honorable Barty Bullock, Pulaski County Judge/Executive  
The Honorable Todd Wood, Pulaski County Sheriff  
Members of the Pulaski County Fiscal Court

Based on the results of our audit, we have presented the accompanying comments and recommendations, included herein, which discusses the following report comments:

- 2009-01 The Sheriff Had Disallowed Expenditures Of \$3,272 In His Official Fee Account
- 2009-02 The Sheriff Expended \$149,354 For Goods And Services That Auditors Question As Reasonable Or Necessary Expenses
- 2009-03 The Fiscal Court Should Review The Sheriff's Current Vehicle Policy And The Sheriff Should Comply Fully With The Approved Policy
- 2009-04 The Sheriff Should Reimburse The Forfeiture Account For Disallowed Finance Charges And Fees
- 2009-05 The Sheriff Should Adopt A Written Outside Employment And Fringe Benefit Policy That Complies With IRS Rules And Regulations
- 2009-06 The Sheriff's Office Paid More Than The Bid Price For Purchase Of Vehicle
- 2009-07 The Sheriff Did Not Provide Adequate Oversight Over Fuel Credit Card Purchases
- 2009-08 The Sheriff Should Strengthen Internal Controls Over Credit Cards
- 2009-09 The Sheriff's Office Lacks Internal Controls Over The Payroll Process

This report is intended solely for the information and use of the Sheriff and Fiscal Court of Pulaski County, Kentucky, and the Commonwealth of Kentucky and is not intended to be and should not be used by anyone other than these interested parties.

Respectfully submitted,



Crit Luallen  
Auditor of Public Accounts

October 22, 2010



PULASKI COUNTY  
TODD WOOD, SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND EXCESS FEES - REGULATORY BASIS

For The Year Ended December 31, 2009

Revenues

Federal Grants		\$	34,222
State Grants			15,142
State - Kentucky Law Enforcement Foundation Program Fund (KLEFPF)			111,263
State Fees For Services:			
Finance and Administration Cabinet	\$	44,810	
Conveying Prisoners		46,139	
Cabinet for Health and Family Services		5,830	
Sheriff Security Service		<u>40,803</u>	137,582
Circuit Court Clerk			10,654
Fiscal Court			577,804
County Clerk - Delinquent Taxes			5,289
Commission On Taxes Collected			768,154
Fees Collected For Services:			
Auto Inspections		21,335	
Accident and Police Reports		706	
Serving Papers		93,101	
Carrying Concealed Deadly Weapon Permits		13,760	
Restitution		6,427	
Wrecker Fees		3,620	
Security		5,400	
School Resource Officer		104,952	
Bank Escorts		<u>15,050</u>	264,351
Other:			
Lake and Park		21,640	
Add On Fees		116,270	
Advertising Fees		2,985	

The accompanying notes are an integral part of this financial statement.

PULASKI COUNTY  
TODD WOOD, SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND EXCESS FEES - REGULATORY BASIS  
For The Year Ended December 31, 2009  
(Continued)

Revenues (Continued)

Other: (Continued)

Adanta	\$	58,566	
Insurance Proceeds (Note 4)		17,965	
Calendar Proceeds		4,500	
Miscellaneous		844	
Vehicle Proceeds (Note 4)		<u>1,250</u>	\$ 224,020

Interest Earned (Note 4) 1,633

Borrowed Money:

State Advancement 200,000

Total Revenues 2,350,114

Expenditures

Operating Expenditures and Capital Outlay:

Personnel Services-

Deputies' Salaries	982,766
Part-Time Salaries	112,499
Other Gross Salaries	222,790

Employee Benefits-

Employer's Share Hazardous Duty Retirement	26,466
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Materials and Supplies-

Office Materials and Supplies (Note 4)	23,444
Uniforms	15,274
Guns and Ammo	11,820
Equipment	59,136

Auto Expense-

Gasoline (Note 4)	133,475
Maintenance and Repairs (Note 4)	40,827

Helicopter Expense-

Insurance	5,185
Gasoline	1,249
Maintenance	2,500

Other Charges-

Conventions and Travel	2,861
Dues	2,693
Postage	9,945
Bond	2,589
Miscellaneous	919

The accompanying notes are an integral part of this financial statement.

PULASKI COUNTY  
TODD WOOD, SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND EXCESS FEES - REGULATORY BASIS  
For The Year Ended December 31, 2009  
(Continued)

Expenditures (Continued)

Operating Expenditures and Capital Outlay: (Continued)

Other Charges- (Continued)

K-9 and Supplies	\$	13,877	
Telephone		35,670	
Camera and Film		3,383	
Investigations		3,130	
Rentals		7,817	
Wrecker		4,480	
Returned Fugitive		26,866	
Fees and Interest		375	
Capital Outlay-			
Office Equipment		1,160	
Helicopter Equipment		88,000	
Vehicles (Note 4)		61,306	\$ 1,902,502

Debt Service:

State Advancement		200,000
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Total Expenditures 2,102,502

Less: Disallowed Expenditures (Note 7)

Finance Charges and Late Fees	375	
Kentucky Sheriffs' Boys and Girls Ranch	363	
Employees Meals, Funeral Expenses, Donations	1,000	
Lack Appropriate And/Or Supporting Documentation	1,434	
Membership Dues	100	3,272

Total Allowable Expenditures 2,099,230

Net Revenues 250,884

Less: Statutory Maximum	89,965	
Training Incentive Benefit	3,528	93,493

Excess Revenues over Expenditures 157,391

Less: Current Year Portion Of Vehicle Account Balance (Note 4)		
Not Due As Excess Fees		153,607

Excess Fees Due County for 2009 3,784

Payments to Fiscal Court - February 26, 2010 501

Balance Due Fiscal Court (Note 7) \$ 3,283

The accompanying notes are an integral part of this financial statement.

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENT

December 31, 2009

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of revenues over expenditures to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount, including excess fees, due from the Sheriff as determined by the audit. KRS 134.310 requires the Sheriff to settle excess fees with the fiscal court at the time he files his final settlement with the fiscal court.

The financial statement has been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting revenues and expenditures are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive) at December 31 that may be included in the excess fees calculation:

- Interest receivable
- Collection on accounts due from others for 2009 services
- Reimbursements for 2009 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2009

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENT  
December 31, 2009  
(Continued)

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost-sharing, multiple-employer, defined benefit pension plan that covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members.

Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 6.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 13.50 percent for the first six months and 16.16 percent for the last six months of the year.

Hazardous covered employees are required to contribute 8.0 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 9.0 percent of their salary to be allocated as follows: 8 percent will go to the member's account and 1 percent will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 29.50 percent for the first six months and 32.97 percent for the last six months of the year.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (members age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008 aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report which is a matter of public record. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, or by telephone at (502) 564-4646.

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENT  
December 31, 2009  
(Continued)

Note 3. Deposits

The Pulaski County Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the Sheriff's deposits may not be returned. The Pulaski County Sheriff does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of December 31, 2009, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 4. Vehicle Account

The Pulaski County Sheriff's Department acquired the financial responsibility of the department vehicles in July 2006 from the Pulaski County Fiscal Court. In February 2008, the fiscal court officially approved this action. Upon acquisition, the Sheriff's Department assumed responsibility of all upkeep, including but not limited to, the purchase of gasoline, maintenance and equipment for vehicles, and possibly the purchase of other vehicles.

The Sheriff's fee account is responsible for paying the Sheriff's vehicle account for mileage used by the deputies on a monthly basis. The balance of the Sheriff's vehicle account can be carried forward from year to year to allow for payment of any maintenance, fuel bills, or any other vehicle responsibilities and is not required to be turned over to Fiscal Court as excess fees.

On January 1, 2009, the vehicle account had a carryover balance from the prior year of \$223,279. A total of \$315,744 in mileage reimbursements was transferred from the fee account into the vehicle account. This mileage reimbursement is not included as an expenditure of the fee account. The Sheriff actually disbursed \$181,657 in gasoline, oil, and vehicle maintenance from the vehicle account which is included on the financial statement. Additionally, \$19,520 in additional receipts deposited into the vehicle account is also included on the financial statement. The balance in the account at December 31, 2009 is \$376,886 which includes a current portion of \$153,607 (mileage reimbursement less disbursements plus additional receipts) that has also been deducted from balance due fiscal court.

PULASKI COUNTY  
NOTES TO FINANCIAL STATEMENT  
December 31, 2009  
(Continued)

Note 5. Forfeiture Account

The Sheriff maintains a forfeiture account, which represents the Pulaski County Sheriff's Department equitable sharing in assets seized during an arrest. The Forfeiture Account had a beginning balance of \$107,039. During 2009, the Sheriff received \$81,700 and expended \$48,879, leaving an ending balance of \$139,860 as of December 31, 2009.

Note 6. Drug Account

On January 1, 2009, the drug account had a beginning balance of \$1,863. During 2009, the Sheriff received \$5 interest and \$1,225 from proceeds emanating from the confiscation, surrender, or sale of real and personal property involved in drug related convictions. These funds are to be used for law enforcement activities. The Sheriff did not expend any funds during 2009, leaving an ending balance of \$3,093 as of December 31, 2009.

Note 7. Disallowed Expenditures and Excess Fees

The Sheriff had disallowed expenditures of \$3,272 in the fee account. Once these are paid back, the Fiscal Court will be due an additional \$3,283 in excess fees.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Barty Bullock, Pulaski County Judge/Executive  
The Honorable Todd Wood, Pulaski County Sheriff  
Members of the Pulaski County Fiscal Court

Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards

We have audited the statement of revenues, expenditures, and excess fees - regulatory basis of the Pulaski County Sheriff for the year ended December 31, 2009, and have issued our report thereon dated October 22, 2010. The Sheriff's financial statement is prepared in accordance with a basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Pulaski County Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying comments and recommendations as items 2009-07, 2009-08, and 2009-09 to be material weaknesses.



Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards  
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Pulaski County Sheriff's financial statement for the year ended December 31, 2009, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying comments and recommendations as items 2009-01, 2009-02, 2009-03, 2009-04, 2009-05, and 2009-06.

The Pulaski County Sheriff's responses to the findings identified in our audit are included in the accompanying comments and recommendations. We did not audit the Sheriff's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Pulaski County Fiscal Court, others within the entity, and the Pulaski County Fiscal Court and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Crit Luallen', with a long horizontal flourish extending to the right.

Crit Luallen  
Auditor of Public Accounts

October 22, 2010

## COMMENTS AND RECOMMENDATIONS



PULASKI COUNTY  
TODD WOOD, SHERIFF  
COMMENTS AND RECOMMENDATIONS

For The Year Ended December 31, 2009

FINANCIAL STATEMENT FINDINGS:

2009-01 The Sheriff Had Disallowed Expenditures Of \$3,272 In His Official Fee Account

The Sheriff had disallowed expenditures of \$3,272 in his official fee account. During our test of expenditures, we noted the Sheriff disbursed funds from the official fee account for expenditures that lacked documentation or appropriate detail, and for membership dues, employee dinners, finance charges and fees, and other items not necessary or beneficial to the public. In Funk v. Milliken, 317 S.W. 2d 499 (Ky. 1958), Kentucky's highest court ruled that county fee officials' expenditures of public funds will be allowed only if they are necessary, adequately documented, reasonable in amount, beneficial to the public, and not primarily personal in nature.

The following is a detailed listing of those expenditures:

- \$375 paid in finance charges and late fees which resulted from late payments to credit card companies.
- \$363 expended on lunches and items for the Kentucky Sheriffs' Boys and Girls Ranch.
- \$1,000 expended on purchases not beneficial to the public such as employees' meals, funeral expenses, and donation.
- \$516 in expenditures that lacked appropriate detailed documentation to determine the purpose and allowability of purchases.
- \$918 in expenditures lacked any supporting documentation.
- \$100 was spent on membership dues.

We recommend the Sheriff avoid expenses that do not meet the Funk v. Milliken test. We also recommend the Sheriff personally reimburse the 2009 official fee account a total of \$3,272 for these disallowed expenses. Once the reimbursement is made, the Sheriff should then pay any additional excess fees to the Fiscal Court.

*Sheriff's Response:*

- A. *All bills are paid in a timely manner unless they are not received allowing enough time for receipts to be reviewed and approved. This is done to ensure that all obligations are met and all billings approved before the payments are issued. On rare occasions, this may have resulted in a late charge. This will be addressed on a case by case basis and prevented in the future.*

PULASKI COUNTY  
TODD WOOD, SHERIFF  
COMMENTS AND RECOMMENDATIONS  
For The Year Ended December 31, 2009  
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-01 The Sheriff Had Disallowed Expenditures Of \$3,272 In His Official Fee Account  
(Continued)

*Sheriff's Response (Continued):*

B. *Lunches are only provided to the young, under-privileged children who demonstrate a financial hardship that is verified by the local youth resource centers from the schools in our county. The camp is provided free of charge by the Kentucky Sheriff's Ranch. There is no cost incurred by either the children or Pulaski County Sheriff's Office. This camp affords an opportunity for these underprivileged children to experience a week at camp and to allow them to enjoy a positive experience with law enforcement. It can and often does change these children's perspective towards law enforcement and leaves them with a better understanding of our purpose. We can only hope these children leave with a positive image to replace any misconceptions they may have acquired. These children are in the care of the Pulaski County Sheriff's Office for four hours each way as we transport them back and forth to the Kentucky Sheriff's Boys and Girls Ranch located in Western Kentucky. To not provide lunch or breakfast to these children during this transport would be considered inhumane. This service definitely benefits our community and the public we serve.*

*Auditor's Reply: Lunches provided for this benefit are always considered a disallowed expenditure of a Sheriff's fee account. In other counties throughout the state, the Sheriff will pay for the meals personally or the fiscal court may vote to pay these expenditures.*

C. *Employee meals are a necessary expenditure as our employees are required to travel from their home area to attend training in order to enhance their expertise and knowledge in law enforcement. Our staff is highly trained and unfortunately this training is seldom offered in Pulaski County. We often travel to Richmond for in-service training and these deputies are not afforded over night travel for said training in order to save the county additional expense. This training provides a heightened level of service to the citizens of Pulaski County and is also mandated by Kentucky statute. These deputies must also transport fugitives from other states and usually make the drives straight through regardless of distance and hours traveled. This again saves the county the additional expense of lodging. When they are away from their home area, at the direction of this office, meals should and will be provided regardless of the reason being training or fugitive pick-ups which are both mandated by Kentucky statute or at the direction of the Pulaski County Judicial System. All meal receipts are documented and submitted for payment. We will work diligently to ensure that these receipts are itemized and submitted in a timely fashion with the reason, and personnel making the purchase.*

*Auditor's Reply: Employees meals that have been disallowed only include meals purchased from Somerset area restaurants. Food trays purchased for local funerals as well as the purchase of Christmas gifts for kids were also disallowed.*



PULASKI COUNTY  
 TODD WOOD, SHERIFF  
 COMMENTS AND RECOMMENDATIONS  
 For The Year Ended December 31, 2009  
 (Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-01 The Sheriff Had Disallowed Expenditures Of \$3,272 In His Official Fee Account  
 (Continued)

*Sheriff's Response (Continued):*

*D. Membership dues for this office and its employees in various local organizations are essential in that it affords the employees of this office networking capabilities which might otherwise not be realized. It provides information sharing, intelligence sharing, crime trends and identification of the criminal element and methodologies that we must face daily. All of these opportunities allow better and more efficient service to the citizens of this county.*

*Auditor's Reply: The membership dues disallowed included only the local Chamber of Commerce which is not a necessary expense for a government entity and is disallowed in the APA's Technical Audit Bulletin.*

2009-02 The Sheriff Expended \$149,354 For Goods And Services That Auditors Question As Reasonable Or Necessary Expenses

During our test of fee account expenditures, we noted the sheriff expended \$149,354 during the last two weeks of December 2009 on expenditures that we question as being either reasonable or necessary expenses of the sheriff's office. Of this amount, \$73,475 was spent for prepayment of goods and services, which is prohibited. The Department for Local Government's, "County Budget Preparation and State Local Finance Officer Policy Manual" includes a section, "Handling Public Funds Minimum Requirements Pursuant to KRS 68.210 For All Local Government Officials (And Employees)," that states, "no bonuses, no prepayment for goods or services, and no contribution (Section 3, Kentucky Constitution)". The sheriff also expended \$75,879 for large end-of-year purchases that auditors question as being either necessary for the operations of the office or reasonable in amount. In Funk v. Milliken, 317 S.W. 2d 499 (Ky. 1958), Kentucky's highest court ruled that county fee officials' expenditures of public funds will be allowed only if they are necessary, adequately documented, reasonable in amount, beneficial to the public, and not primarily personal in nature. These expenditures appear excessive and many do not appear to be necessary fee account expenditures needed for the operations of the sheriff's office. Furthermore, \$71,591 of the expenditures listed on the table below (identified by \*) are vehicle-related expenditures that could have been paid out of the sheriff's vehicle account, which had a balance that was understated by \$315,744 on the quarterly report as of December 31, 2009.

We realize the sheriff's tax commissions come in at the end of the year and most sheriffs make purchases of items needed for the operations of the sheriff's office during the last couple of months of the calendar year. However, the fiscal court makes annual contributions to the sheriff's office to help with the operating expenses, which amounted to \$577,804 during 2009.

The purchases we are questioning are outlined in the table below.

PULASKI COUNTY  
TODD WOOD, SHERIFF  
COMMENTS AND RECOMMENDATIONS  
For The Year Ended December 31, 2009  
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-02 The Sheriff Expended \$149,354 For Goods And Services That Auditors Question As Reasonable Or Necessary Expenses (Continued)

Invoice Date	Vendor Description	Amount	
<b>Prepaid Good and Services</b>			
12/29/2009	10 Two-Way Radio, Install	\$ 4,000	*
12/10/2009	6 Two-Way Radio, Antenna Kits, Labor	9,278	*
12/31/2009	12 Brake Fluid, 18 Antifreeze	266	*
12/15/2009	3 Decal Striping Sets for Cruisers	825	*
12/31/2009	3 Consoles, Motorola Faceplates, Mounting Ears	1,212	*
12/31/2009	100 Rainx Wipers	875	*
12/23/2009	50 Halogen Lamps, 2 Batteries	802	*
12/16/2009	94 Tires, Mount & Dismount, KY Tire Fee, Tire Disposal Fee, Labor	10,378	*
12/16/2009	70 Brake Pads, Rotors, Alignment, Labor	9,271	*
12/23/2009	3 LED Light bar, 3 Partitions, Window Bars, Sirens, etc.	10,137	*
12/16/2009	2010 GPS Tracking Service	479	
12/24/2009	5 Camera Kits, 2 Portable DVR Monitors	1,560	*
12/31/2009	Clothing	1,699	
12/31/2009	Helmet, Helmet Covers, Voodoo	3,000	
12/31/2009	CRT Equipment (36 & 27 mags, shooting mats, etc.)	3,451	
12/30/2009	100 Polos, 50 Jackets	2,310	
12/29/2009	Jackets, Shirts	649	
12/11/2009	100 Polos, 50 Jackets	5,000	
12/30/2009	28 Fire Extinguishers	1,260	
12/31/2009	6 9' Stop Stick Rack Kit	2,429	
12/28/2009	5 X26 Blades, 5 Holsters, 10 Cartridges, 10 Batteries	4,594	
	Total Prepaid Goods and Services	73,475	
<b>Large Year-End Purchases</b>			
1/19/2010	2010 Crown Victoria (Order Date 12/17/09)	22,987	*
12/29/2009	Scout Security System, Ceiling Mount, Outdoor Trail Camera	5,050	
12/30/2009	Crash Database Program, Pre-Paid Yearly Maint, Training	4,271	
12/30/2009	Night Vision Equipment	8,575	
12/29/2009	Groundhog System, Day/Night Zoom Camera	7,708	
12/31/2009	Purahase & Training of One Police Service Dog	9,800	
12/31/2009	11 Bushmaster 223 Rifles	9,750	
12/31/2009	6 Digital Cameras, Bags, Memory Cards	1,823	
12/31/2009	4 TVs, 4 Wall Mounts	2,649	
12/30/2009	Refrigerator	440	
12/31/2009	Ice Machine	2,826	
	Total Large Year-End Purchases	75,879	
	Total Questioned Costs	\$ 149,354	

PULASKI COUNTY  
TODD WOOD, SHERIFF  
COMMENTS AND RECOMMENDATIONS  
For The Year Ended December 31, 2009  
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-02 The Sheriff Expended \$149,354 For Goods And Services That Auditors Question As Reasonable Or Necessary Expenses (Continued)

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If the sheriff had not spent fee account funds on prepaid goods and services, unnecessary expenditures, and vehicle expenditures at the end of the year, the amount of excess fees due and payable to the fiscal court would have increased by as much as \$149,354. Therefore, we question the reasonableness of the expenditures and will refer to the fiscal court to determine if the expenditures are allowable expenditures of the sheriff's fee account.

We recommend the sheriff consult with the fiscal court to determine the reasonableness or necessity of the expenditures. If the fiscal court deems the expenditures unnecessary and/or unreasonable, they will become disallowed expenditures subject to reimbursement by the sheriff personally and by his vehicle account. The total of \$149,354 would then be turned over to fiscal court as excess fees. The sheriff would need to reimburse the fee account \$71,590 from the vehicle account for vehicle expenditures and the remaining expenditures of \$77,764 would need to be reimbursed by the sheriff personally.

*Sheriff's Response: The monies in question are encumbered fees which are collected throughout the fiscal year with the largest portion being collected from October through December from tax commissions. It has been the practice of not only this administration but previous administrations as well to access the funds after they are realized for the purchasing of including but not limited to vehicle maintenance, upgrades to the vehicle fleet, replacement of worn and dated equipment, upgrades to computer and office equipment and supplies, equipping deputies and responding units with necessary and fundamental equipment, purchase of crime detection and recording devices and upgrades to the tax office. All of these expenditures expedite and ensures the services and security afforded to the citizens of Pulaski County. It is true the Pulaski County Fiscal Court contributed \$577,804.00, of which we are certainly grateful, to the Pulaski County Sheriff's Office in 2009 that was designated for salaries with the exception of two line item disbursements: 1) \$15,000.00 for uniforms and 2) \$15,000.00 for equipment. With absolutely no disrespect intended to our Fiscal Court, these expenditures cannot touch the magnitude of the cost of equipment to effectively run this office. Nor, should it be their primary function to support a fee operated office. If we do not utilize the fortitude of future planning in operational matters, it would surely be our citizens that would suffer. It is unfeasible to imagine that when our citizens request service that we might not be able fulfill those needs because we failed to rationally and conservatively plan for and purchase the necessary equipment to perform our jobs and fulfill our obligations.*

*It appears through the wording, the vehicle account maintained a balance of \$315,744 throughout the entire fiscal year 2009. This; however, is not the case and tends to be misleading. The account has been accrued over time to ensure that obligations for new vehicle purchases, gasoline and routine vehicle maintenance as well as equipment used to furnish new vehicles can be realized. In order to better serve the citizens of this county and provide safe and operational equipment for our personnel, we routinely replace older and severely worn vehicles annually. Again, utilizing forward planning and rational thought, we have developed a system that affords the purchase of new vehicles and equipment in phases while still allowing funds for the purchase of new vehicles and equipment in phases while still allowing funds for the continued operation of the office's vehicle fleet and providing funds for the continued operation of the fleet and the purchase of*

PULASKI COUNTY  
TODD WOOD, SHERIFF  
COMMENTS AND RECOMMENDATIONS  
For The Year Ended December 31, 2009  
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-02 The Sheriff Expended \$149,354 For Goods And Services That Auditors Question As Reasonable Or Necessary Expenses (Continued)

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*Sheriff's Response (Continued): gasoline and unforeseen expenses. This ensures that we continue to respond to the needs of this county and her citizens.*

*The vehicle account, at certain periods of the year, may not have sufficient funds to support obligations for vehicle replacement, gasoline purchases and equipment purchases; therefore funds may be utilized from the fee account to cover those costs until the vehicle account is reimbursed from the vehicle mileage expense account when those funds become available. This is all very well documented and legal. At the end of the fiscal year, December 2009, there was only \$61,142.10 in the vehicle account and not the amount previously depicted of \$314,754.00.*

*All year-end expenditures made by the Pulaski County Sheriff's Office have been authorized and approved by the Pulaski County Fiscal Court. Sound financial planning and with the approval of our Fiscal Court have allowed the Pulaski County Sheriff's Office to develop and maintain a vehicle account that is now set to cover future vehicle purchases as well as that of gasoline and equipment.*

*Auditor's Reply: As previously stated, Kentucky law prohibits the pre-payment for goods and services. With regard to the vehicle account, the Sheriff reported an ending balance of \$61,142 on his final quarterly report. This amount did not include mileage reimbursements of \$315,744 transferred from the fee account. These mileage reimbursements were included as a disbursement of the fee account. To appropriately reflect ending cash balance of the Sheriff's office, since the mileage reimbursements were deducted from the fee account, a corresponding increase should have been made to the vehicle account.*

2009-03 The Fiscal Court Should Review The Sheriff's Current Vehicle Policy And The Sheriff Should Comply Fully With The Approved Policy

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On February 12, 2008, the fiscal court approved the sheriff's department to acquire the financial responsibilities of the department vehicles from the fiscal court. In the approval letter signed by the county judge, the sheriff's fee account is responsible for paying mileage to the sheriff's vehicle account on a monthly basis and the sheriff's department assumes responsibility for all upkeep including but not limited to the purchase of gasoline, the maintenance of vehicles, equipment for vehicles and possibly the purchase of vehicles. The fiscal court agreed to continue to provide insurance on the vehicles. The balance in the vehicle account will be carried forward from year to year to allow for payment of any maintenance, fuel bills, or any other vehicle responsibilities and not turned over as excess fees.

PULASKI COUNTY  
 TODD WOOD, SHERIFF  
 COMMENTS AND RECOMMENDATIONS  
 For The Year Ended December 31, 2009  
 (Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-03 The Fiscal Court Should Review The Sheriff's Current Vehicle Policy And The Sheriff Should Comply Fully With The Approved Policy (Continued)

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Auditors examined the sheriff's mileage logs used for documenting the mileage paid to the vehicle account and noted the sheriff only made two payments from the fee account totaling \$315,744, during calendar year 2009. Review of the logs also revealed the mileage for one vehicle increased by exactly 2,000 miles for the months of May through November and exactly 1,000 miles for the month of December. Due to these findings and the material amount disbursed to the vehicle account, auditors tested the most current mileage log subsequent to the audit period. On September 9, 2010, auditors requested the August 2010 mileage log and found that it was only 47% complete. Auditors also noted the ending mileage for the same vehicle referred to above was actually less than the beginning mileage for the month of August.

In addition to the issues with the sheriff's monthly mileage payments, we also found the sheriff paid vehicle expenditures totaling \$72,866 out of his 2010 fee account. These payments could have been paid out of the vehicle account.

We recommend the sheriff consult with the Fiscal Court to see if the vehicle policy is being used in accordance with the policy approved by the fiscal court, and we further recommend the fiscal court make any changes to the policy they deem necessary. If the fiscal court continues to allow the sheriff to maintain the vehicle account, we recommend the sheriff properly maintain vehicle mileage logs for each vehicle and pay the mileage over to the vehicle account on a monthly basis. We further recommend the sheriff pay for vehicle-related expenditures out of the vehicle account and if money is not available in the vehicle account, work with the fiscal court to determine a resolution.

*Sheriff's Response: The Pulaski County Sheriff's vehicle account is now, as of 2010, financially capable of enduring all future related vehicles, gasoline, equipment and maintenance as related to vehicles. The vehicle account, as currently operated, has been approved by Pulaski Fiscal Court.*

*Mileage payments for Departmental vehicles are recorded monthly and logged. These monies are paid to the vehicle account in accordance with monies being available on a monthly basis with the largest portion being paid at the end of the fiscal year when tax commissions become available.*

2009-04 The Sheriff Should Reimburse The Forfeiture Account For Disallowed Finance Charges And Fees

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The Sheriff paid \$50 in finance charges and fees from the forfeiture account as a result of a late payment to a credit card. The purpose of this fund is for law enforcement activities. Since the payment of finance charges and fees is clearly not for law enforcement activities, we are disallowing this amount. We recommend the Sheriff reimburse the forfeiture account \$50 from personal funds and refrain from having finance charges and fees in the future.

*Sheriff's Response: Late payment fees are a result of credit card bills being presented for payment before invoices from purchases arriving from vendors all received and validation of said charges are allowed.*

PULASKI COUNTY  
 TODD WOOD, SHERIFF  
 COMMENTS AND RECOMMENDATIONS  
 For The Year Ended December 31, 2009  
 (Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-05 The Sheriff Should Adopt A Written Outside Employment And Fringe Benefit Policy  
That Complies With IRS Rules And Regulations

The Sheriff provides cellular phones and vehicles to deputies which can be used outside the performance of their job duties. The personal use of this property is not reported as taxable income to the employees. According to the Internal Revenue Service (IRS), any personal use of such employer provided electronic devices and vehicles is taxable (reportable income). Business use can be excluded when certain IRS requirements are met.

The Sheriff also allows employees to purchase meals using the agency credit card when not in overnight status. According to the IRS, meal reimbursements to county employees who do not have overnight travel are a taxable fringe benefit. In order for a reimbursement of an expense for business travel to be excluded from income, including meals, an employee must travel away from home. The phrase "away from home" has been interpreted by the Supreme Court to require the employee to travel overnight.

The Sheriff also allows deputies to work special events such as ball games and perform security. The school board or company will pay the officers directly. However, these deputies are in uniform, drive the government issued vehicle, and have arresting capabilities. The Pulaski County Sheriff's office also provides the fuel. These are all indications that the deputies are working for the Pulaski County Sheriff's office and the pay should be routed through the payroll.

We recommend the Sheriff develop written policies regarding employer provided cellular phones, vehicles, meals and outside employment such as providing security services. We also recommend the Sheriff consult with the County Attorney to ensure these policies adhere to IRS regulations, state laws, and the Sheriff include all fringe benefits as taxable income. We are referring this to the Kentucky Department of Revenue and the IRS.

*Sheriff's Response: The Sheriff's Office does have in place a policy (5.04, Secondary or Off Duty Employment) which addresses and governs outside employment.*

*Auditor's Reply: Auditors were not provided a copy of the policy.*

*Sheriff's Response: The Sheriff's Office does supply its personnel with cellular telephones, vehicles and other equipment which enables them to perform required functions in an expedient manner. All said equipment can and should be at their disposal at any given time in order that they might act appropriately in any given circumstance. All personnel while performing secondary or off duty employment are required by policy to respond to any situation which may require the presence of a lawfully trained law enforcement officer and perform their duties as required by law. To restrict their abilities to have access to needed equipment would only serve to hamper their abilities to provide the necessary aid to our citizens in a timely manner.*

*Auditor's Reply: APA is not questioning whether the Sheriff should provide equipment and vehicles to employees of the office but is informing the Sheriff that personal use is subject to IRS rules and regulations as a taxable fringe benefit.*

PULASKI COUNTY  
TODD WOOD, SHERIFF  
COMMENTS AND RECOMMENDATIONS  
For The Year Ended December 31, 2009  
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-05 The Sheriff Should Adopt A Written Outside Employment And Fringe Benefit Policy That Complies With IRS Rules And Regulations (Continued)

*Sheriff's Response: All employees working secondary or off duty assignments receive from that vendor a W-2 form which is reported to the IRS. All employees working secondary or off duty employment sign W-9 forms indicating they are responsible for all taxes associated with this employment. All outside employment earnings are paid directly to the employee and should not be paid through Pulaski County payroll. Should those earnings be routed through Pulaski County payroll they then become eligible for matching benefits one being retirement which would further burden the Kentucky Retirement System. (Remember our Governor said our state is broke)*

*Auditor's Reply: APA is not questioning whether an employee can work a secondary job or off duty assignment. Employee, however, in such a capacity, should not give the appearance of being an on-duty officer for Pulaski County. In the cases noted above, the employee is in uniform and is using Sheriff's office equipment and vehicles.*

2009-06 The Sheriff's Office Paid More Than The Bid Price For Purchase Of Vehicle

During testing of expenditures, auditor noted the Sheriff purchased several vehicles from a local vendor. The Sheriff complied with KRS 424.260 by advertising for bids in the local newspaper. One bid for \$21,921 was received from a local vendor, which was awarded the bid for the vehicles. On May 6, 2009 the Sheriff purchased an additional vehicle from the vendor and was charged \$23,720, which was \$1,799 more than the original quoted bid price. The local vendor did not honor the bid price even though the purchase was for the same vehicle as the bid quote. In the future, we recommend the Sheriff not pay more than the quoted bid price for any purchases.

*Sheriff's Response: The Sheriff's Office purchased vehicles from a local vendor after said vendor matched state contract pricing at \$21,921. An additional vehicle was ordered from the same vendor as indicated by audit however government concessions for pricing had changed during this time frame resulting in a higher price required to be paid for the additional vehicle purchased. The increase in pricing was not a result of any actions taken by the vendor to increase price but an allowable price change in government pricing through concessions.*

*Auditor's Reply: Sheriff received bid from vendor on 9/23/08, for 2009 vehicle purchase. Sheriff indicates in his response he used the vendor awarded the bid. As such, vendor should have honored the bid price submitted in response to Sheriff's advertisement for bid.*

PULASKI COUNTY  
TODD WOOD, SHERIFF  
COMMENTS AND RECOMMENDATIONS  
For The Year Ended December 31, 2009  
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-07 The Sheriff Did Not Provide Adequate Oversight Over Fuel Credit Card Purchases

The Sheriff did not provide adequate oversight over fuel credit card purchases and we could not determine if all of the fuel purchased was for official use. A personal identification number (PIN) and odometer reading are required each time the card is used. When the monthly credit card statement is received, there is a breakdown by PIN number to show the date of purchase, gallons of fuel purchased and odometer reading at the time of purchase.

There is no evidence that the Sheriff reviewed the credit card statements prior to payment and vendor receipts were not maintained and reconciled to amounts on the monthly billing statement. In addition, the odometer reading is not entered at the time of each fuel purchase. By not reviewing and maintaining proper oversight of these credit cards, the Sheriff did not ensure the accuracy of what was billed and the reasonableness of what was charged by each deputy.

Without evidence of proper oversight of these credit cards, the Sheriff cannot ensure the accuracy of billed fuel and the reasonableness of fuel charged by each deputy. Fuel may be purchased and used for other than official business.

We recommend the Sheriff implement steps to adequately safeguard the cards in use. Each deputy should be held accountable to maintain the original vendors receipt and should ensure actual odometer readings are used at the time of purchase. In addition, each vendor receipt should be maintained and reconciled to the monthly billing statement prior to payment. Lastly, the Sheriff should ensure the fuel credit cards are used to purchase fuel for official vehicles and use only.

*Sheriff's Response: All fuel purchases are made only by authorized personnel for use in departmental vehicles. The current fuel purchases are made through a system set in place by Pulaski County Fiscal Court when this administration took office in 2003, when the said vehicles were owned by the Court. Shortly, thereafter, this ownership was turned over to the Sheriff's Office. The original fuel purchase arrangement and card system has remained in place since that time. It is currently operated under the original guidelines. This will continue to be duly monitored both by the Sheriff and the Court.*

*Auditor's Reply: Guidelines should include entering actual odometer readings at time of purchase, maintaining original invoices for each purchase and reconciling these to credit card statement to ensure fuel purchased is for official use only.*

2009-08 The Sheriff Should Strengthen Internal Controls Over Credit Cards

During testing of credit card expenditures, we noted several statements did not have supporting documentation for all purchases. In addition, we could not determine who was using the cards, because no signatures were on the credit card receipts. Good internal controls dictate that adequate documentation be maintained to support all expenditures and the user of the credit card sign the receipt. We recommend in the future, that a purchase receipt support each credit card purchase in order to ensure allowability of the charge. We further recommend the sheriff review and agree all receipts to the statements.



PULASKI COUNTY  
TODD WOOD, SHERIFF  
COMMENTS AND RECOMMENDATIONS  
For The Year Ended December 31, 2009  
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-08 The Sheriff Should Strengthen Internal Controls Over Credit Cards (Continued)

*Sheriff's Response: Receipts are maintained on all credit card purchases and matched to deputies by date and time of trip or usage. There is documentation to support all expenditures for credit card usage by members of this office. All expenditures made, whether by credit card or other means, are reviewed monthly by the Sheriff and the financial officer of the Sheriff's Office to ensure the expenditures are proper and allowable before payment is made.*

*Auditor Reply: Auditors found Sheriff's office did not maintain adequate documentation for several purchases resulting in disallowed expenditures. Auditors also found inadequate oversight over credit card purchases. Original vendor receipts were not maintained to support credit card statement activity and auditors could not determine user of the credit card at time of purchase.*

2009-09 The Sheriff's Office Lacks Internal Controls Over The Payroll Process

Through auditor observation and inquiry, we noted the bookkeeper enters the hours per employees' timesheets in the computer which is submitted to fiscal court for processing. In some instances, the bookkeeper may not receive a timesheet timely. At this point, she will enter eighty (80) regular hours for processing. When she receives the timesheet she will adjust the hours the next pay period. If necessary, the bookkeeper manually adjusts leave balances. There is no documented review of the payroll procedures performed by the bookkeeper.

Additionally, we noted several timesheets were missing and not all timesheets had signatures documenting review. We also noted a couple instances where compensation hours earned were not properly adjusted resulting in the balance being understated.

We recommend the Sheriff or designated employee review the hours input by the bookkeeper by reviewing the timesheets and individual earning records. We also recommend the Sheriff review the manual adjustments made to leave time and verify leave balances are accurate. Furthermore, we recommend timesheets be maintained to support hours paid and all timesheets should be reviewed. This should be documented by a signature.

*Sheriff's Response: Currently the Sheriff's Office payroll is accounted for in two week increments and justified by time sheets. However payroll must be submitted on Thursday of the second week and the Sheriff's payroll does not end until Saturday of the second week. On occasion time worked must be adjusted on time sheets because of unforeseen circumstances which may arise between when payroll is submitted and the time period ends. All time sheets are reviewed for completeness and accuracy by the patrol Lieutenant before being forwarded to the financial officer for payment.*

*Auditor Reply: Not all timesheets were available for auditor review and some that were available had no supervisors signature indicating review.*

